

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BEAVER-ELKHORN)	
WATER DISTRICT FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO. 99-242
CONSTRUCT A WATER LINE EXTENSION INTO)	
THE BILL HALL BRANCH AREA OF FLOYD)	
COUNTY AND APPROVAL OF FINANCING PLAN)	

O R D E R

On June 15, 1999, Beaver-Elkhorn Water District ("Beaver-Elkhorn") applied for a Certificate of Public Convenience and Necessity to construct a \$379,751 waterworks improvement project and for approval of its plan for financing the project.

By letter dated July 9, 1999, Beaver-Elkhorn was notified that its filing was deficient in certain filing requirements and was requested to file the information within 15 days. On August 5, 1999, Beaver-Elkhorn filed a letter, which the Commission will treat as a motion, requesting permission to deviate from the deficient filing requirements set out in the Commission's letter of July 9, 1999.

The proposed project involves the construction of 11,940 linear feet of 4-inch polyvinyl chloride (PVC) water transmission main, a 20,000 gallon skid tank, a 50 gallon per minute (GPM) booster pumping station and a supervisory control and data acquisition (SCADA) system to provide service to 42 new customers along Bill Hall Branch. Project funding is a \$284,751 grant from the Section 531 PRIDE program and a \$95,000

contribution from the applicant. Plans and specifications for the proposed improvements prepared by Summit Engineering, Inc., of Pikeville, Kentucky, have been approved by the Division of Water of the Natural Resources and Environmental Protection Cabinet.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Beaver-Elkhorn's motion to deviate from the deficient filing requirements should be granted.

2. Public convenience and necessity require that the construction proposed be performed and that a Certificate of Public Convenience and Necessity be granted.

3. The proposed construction consists of 11,940 linear feet of 4-inch PVC water transmission main, a 20,000 gallon skid tank, a 50 GPM booster pumping station and a SCADA system.

4. Beaver-Elkhorn should obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

5. Any deviation from the construction or financing plan approved should be undertaken only with the prior approval of the Commission.

6. Beaver-Elkhorn should furnish documentation of the total costs of this project including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date that construction is substantially completed. Construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for water utilities prescribed by the Commission.

7. Beaver-Elkhorn should require construction to be inspected under the general supervision of a professional engineer with a Kentucky registration in civil or mechanical engineering.

8. The financing plan proposed by Beaver-Elkhorn is for lawful objects within the corporate purpose of its utility operation, is necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair its ability to perform that purpose, should therefore be approved.

IT IS THEREFORE ORDERED that:

1. Beaver-Elkhorn's motion to deviate from the deficient filing requirements is granted.

2. Beaver-Elkhorn is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction project consisting of 11,940 linear feet of 4-inch PVC water transmission main, a 20,000 gallon skid tank, a 50 GPM booster pumping station and a SCADA system.

3. Beaver-Elkhorn shall comply with the requirements contained in Findings 3 through 6 as if the same were individually so ordered.

4. The financing plan proposed by Beaver-Elkhorn is hereby approved.

Done at Frankfort, Kentucky, this 14th day of September, 1999.

By the Commission

ATTEST:

Executive Director